STATE OF CALIFORNIA GRAY DAVIS, Governor

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298

February 21, 2002

To: ALL INTERESTED PARTIES

Re: R.01-09-001/I.01-09-002 NRF Review

Attached is a copy of the Executive Summary of the report entitled <u>Regulatory Audit of Pacific Bell for the Years 1997, 1998, and 1999</u>. This report was prepared by Overland Consulting, Inc., under the direction of the Commission's Telecommunications Division.

The Telecommunications Division deleted certain information contained in the Executive Summary that may be considered Confidential and/or Proprietary by Pacific Bell. The deleted information is identified in the report with the indicator [**Redacted**]. The redactions were made in an effort to make the Executive Summary of the report available as soon as possible to interested parties that have not signed a non-disclosure agreement with Pacific Bell.

By deleting this information, the Telecommunications Division does not necessarily agree that the information is Confidential and/or Proprietary. Upon a finding by the Commission that the information is appropriate for release to the public, the Telecommunications Division will make the full, unredacted version available to those requesting a copy.

Any person or entity that wishes to obtain a full, unredacted, version of complete audit report should contact Pacific Bell to enter into a non-disclosure agreement, pursuant to the directions contained in the January 8, 2002 Administrative Judge's Ruling Providing Instructions For Filing Motions To Place Information Under Seal (R.01-09-001/I.01-09-002). The contacts at Pacific Bell are:

Mr. Michael Sasser Mr. James Young 140 New Montgomery Street, 16th Floor San Francisco, CA 94105 Telephone (415) 542-7552 Fax (415) 543-2935

If you have any questions regarding this Redacted Executive summary, or any questions regarding the audit of Pacific Bell, please call Charles Christiansen at (415) 703-1901, or by email at chc@cpuc.ca.gov.

Sincerely,

Jack Leutza, Director - Telecommunications Division